

Draft Matrix of Socioeconomic Programs and Their Applicability

2/2/2000

Current through FAC 97-15

The Socioeconomic Programs in this matrix are listed in the suggested order for consideration. Agency personnel should, however, check with their Small Business Specialist to confirm their agency goals and their affect on application of these programs.

I. Priority Supply Sources and Set-Aside Programs

			Small Business Considerations by Dollar Value of the Requirement					
			Simplified Acquisitions (e.g. < \$100,000)					
Program	FAR Reference	Description and Conditions for Use	\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/SAT	\$100,000 to 500,000	Over \$500,000	Related Internet Sites
Government Supply Sources (Required Sources of Supply)	8.001	Per FAR 8.001, agencies shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority: (1) SUPPLIES (i) Agency inventories; (ii) Excess from other agencies; (iii) Federal Prison Industries (iv) Committee for Purchase from People who are Blind or Severely Disabled (v) Wholesale supply source, such as stock programs of GSA, DLA, VA and military inventory control points; (vi) Mandatory Federal Supply Schedules (vii) Optional use Federal Supply Schedules (viii) Commercial sources (consider Small Business Programs (below) first) (2) SERVICES (i) Services available from Committee for Purchase from People who are Blind or Severely Disabled (ii) Mandatory Federal Supply Schedules (iii) Optional use Federal Supply Schedules (iv) Federal Prison Industries, Inc. or commercial sources	Government Supply Sources are required consideration for all acquisitions Consideration of small business is encouraged for optional use Federal Supply Schedules and is required for commercial sources					Federal Prison Industries: http://www.unicor.gov JWOD Program (Blind): http://www.jwod.gov GSA Federal Supply Schedules Program: http://pub.fss.gsa.gov/sched/

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Emerging Small Business (ESB) Set-asides (of the SB Competitiveness Demo Program)	19.1006(c)	<ul style="list-style-type: none">Limited to use by 10 Agencies in 19.1004: USDA DOT DOD (except NIMA) VA DOE EPA HHS GSA DOI NASAFor requirements within 4 Designated Industry Groups(DIGS) reference FAR 19.1005(a)All acquisitions in the 4 DIGS with estimated value equal to or less than emerging small business reserve amount shall be set-aside for ESBs (NOTE: Emerging small business reserve amount is established annually by OFPP – as of June 1999 the amount is \$25,000 (\$50,000 for A&E))Must be reasonable expectation of obtaining offers from 2 ESBs (If not and \$25K or less, proceed with 19.8 or 19.5; over \$25K consider under 19.8 or 19.13.	19.1006(c) Set-aside for ESB Required (within 4 Designated Industry Groups (DIGS)) if reasonable expectation of obtaining 2 offers (if not, proceed with 19.8 or 19.5)	A&E ONLY: Set-aside for ESB Required (up to \$50,000)	N/A			OFPP Final Policy Directive (6/12/1999): http://frwebgate2.access.gpo.gov/cgi-bin/waisgate.cgi?WALSdocID=2593324316+0+0+0&WALSaction=retrieve
* Note: Suggested priority order based on FAR Part 19 indications of consideration. Where FAR prescribes/suggests the order of priority, the prescription/suggestion has been repeated herein in the Description column. Contracting Officers are advised to consult the FAR prior to making final determination of set-aside requirements.								
8(a) Business Development Program	19.8	<ul style="list-style-type: none">Per 19.800(e), Contracting Officers should review acquisition for offering under 8(a) before deciding to set-aside in accordance with 19.13 (HUBZone) or 19.5 (SB set-aside). If the acquisition is offered to the SBA, SBA regulations give first priority to HUBZone 8(a) concerns.Identify for 8(a) program through:<ul style="list-style-type: none">SBA Search LetterSBA requestAgency/SBA agreementAgency supplemental policyNOTE: All requirements should be considered including requirements over the emerging small business reserve amount in DIGS	19.800(e) Contracting Officers should review all requirements for offering under the 8(a) program before deciding to set-aside under 19.13 or 19.5 (non-competitive to \$3M or \$5M, depending on SIC Code)					SBA ProNet: http://www.pronet.sba.gov

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Very Small Business (VSB) Set-asides (of the Very Small Business Pilot Program)	19.9	<ul style="list-style-type: none">Acquisitions between \$2,500 -\$50,000 must be set-aside for VSBs, if:<ul style="list-style-type: none">(1)(a) For supplies, the contracting office is within the geographical area served by a designated SBA district, or(b) For services, if the contract is required to be performed within the geographical area served by a designated SBA district, AND(2) reasonable expectation of obtaining 2 competitive offers from VSBs. If no reasonable expectation of obtaining two offers, proceed with 19.5, per FAR 19.904(c).Per FAR 19.903(b), does not apply to:<ul style="list-style-type: none">- 8(a) acquisitions- any requirement subject to Small Business Competitiveness Demo Program (SBCDP) (e.g., Emerging Small Businesses (ESBs))NOTE: Offerors may not have more than 15 employees and \$1 million in annual average receipts (52.219-5)	19.904(a) Set-aside for VSBs required if criteria are met 19.903(b) Note: do not set-aside when requirement is in Designated Industry Group (DIG)(see ESB program) If no reasonable expectation of obtaining two offers, proceed with 19.5.		N/A 19.903(a)			Designated SBA Districts: http://www.arnet.gov/References/VerySmall.html										
HUBZone Small Business Set-asides (Competitive) Historically under- utilized business zone program	19.13	<ul style="list-style-type: none">Currently: Applicable to 10 designated agencies (19.1302)<table><tr><td>USDA</td><td>DOT</td></tr><tr><td>DOD</td><td>VA</td></tr><tr><td>DOE</td><td>EPA</td></tr><tr><td>HHS</td><td>GSA</td></tr><tr><td>HUD</td><td>NASA</td></tr></table>After 9/30/2000, applicable to all agencies with a Contracting OfficerMust set-aside acquisitions exceeding the SAT for HUBZone small businesses when:<ul style="list-style-type: none">(1) Reasonable expectation of offers from 2 or more HubZone SB concerns, and(2) Award will be made at fair market priceHUBZone dealer must offer products manufactured by HUBZone firm(s)NOTE: Contracting Officers should review for offering under the 8(a) program first, per FAR 19.800(e)	USDA	DOT	DOD	VA	DOE	EPA	HHS	GSA	HUD	NASA	19.1305(c) OPTIONAL			19.1305(a) Requires set-aside for HubZone small businesses over the SAT when criteria are met		SBA HUBZone: http://www.sba.gov/hubzone SBA ProNet http://www.pronet.sba.gov
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HUBZone (Non-competitive)	19.1306	<ul style="list-style-type: none">NOTE: Must consider HUBZone competitive first A Contracting Officer may award contract to HUBZone small business concern (sbc) on sole source basis IF: <ul style="list-style-type: none">(1) Only 1 HUBZone sbc can satisfy requirement(2) Acquisition is greater than SAT but price will not exceed \$5M for manufacturing SIC codes and \$3M for all other SIC codes(3) Requirement is not currently being performed by a non-HUBZone small business concern(4) HUBZone small business concern determined responsible(5) Award can be made at fair and reasonable price <ul style="list-style-type: none">SBA has right to appeal CO’s decision not to make a HUBZone sole source award.	19.1306(a)(4) PROHIBITED			19.1306(a) May sole source w/out considering 19.5 (but must consider competitive HUBZone)	From \$500K to \$3M or \$5M (depending on SIC code) May sole source without considering 19.5 (but must consider competitive HUBZone)	SBA HUBZone: http://www.sba.gov/hubzone SBA ProNet http://pronet.sba.gov
Small Business Total Set-aside	19.502-2	NOTE: Should review first for 8(a) and must review for competitive HubZone (over Simplified Acquisition Threshold) <ul style="list-style-type: none">Offers from at least two SB firms are expectedNonmanufacturing rule applies over \$25,000 [19.102(f)(7)]Follow agency direction for Set-asides for requirements in DIGs above the emerging small business reserve amount when agency goals have not been met See 19.502-5 for insufficient causes for not setting aside an acquisition	19.502-2(a) automatically reserved for SB unless requirement falls under: 19.8 – 8(a) 19.9 – VSB set-aside 19.10 -- SBCDP (ESB) set-aside 19.13 -- HUBZone set-aside		19.502-2(a) automatically reserved for SB -unless requirement falls under 19.8 – 8(a) 19.10 – SBCDP (ESB) set-aside 19.13– HUBZone set-aside	19.502-2(b) Shall set-aside if conditions are met: (1) offers from 2 responsible SBCs offering products of different SBCs (2) award will be made at fair market prices Over SAT, must consider HUBZone first (19.501(c))		Waivers: http://www.sba.gov/GC/nonmanuf.html

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Small Business Partial Set-aside	19.502-3	<ul style="list-style-type: none"> A total set-aside is not appropriate Requirement is severable in two parts One or more Small Business firms are capable Acquisition is not subject to Simplified Acquisition Procedures Follow agency direction for set-asides for requirements in DIGs above the emerging small business reserve amount when agency goals have not been met 	N/A 19.502-3(a)(4)			19.502-3(a) Use partial set-aside when total set-aside is not appropriate and criteria are met		

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II. Programs for Full and Open Competitions

(Over the Simplified Acquisition Threshold)

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Small Business Programs	FAR Ref.	Description and Conditions for Use	\$2,500 to 25,000	\$25,000 to 50,000	\$50,000 to 100,000/SAT	\$100,000 to 500,000	Over \$500,000	Internet Sites
Price Evaluation Adjustment (Small Business Programs)	19.11	SDB: Price Evaluation Adjustment (PEA) Use in competitive acquisitions in the authorized SIC Major Groups (as determined by the Dept. of Commerce [FAR 19.201] (See website at right), UNLESS: <ul style="list-style-type: none">• Equal to or under SAT• 8(a)• Set-aside for small business concerns• HUBZone set-aside• Price not a selection factor• All fair and reasonable offers will be accepted for award Do not evaluate offers using the PEA when it would cause award, as a result of this adjustment, to be made at a price that exceeds fair market price by more than the factor as determined by the Dept. of Commerce (see 19.202-6(a)).	Prohibited 19.1102(b)(1)			19.1102 Use for competitive acquisitions in authorized SIC major Groups over the SAT (Shall not be used with: 19.8 – 8(a) 19.5 –SB set-aside 19.13 – HUBZone)		SDB Major SIC Codes: <i>http://www.arnet.gov/References/sdba_djustments.htm</i> SBA ProNet <i>http://pronet.sba.gov</i>
	19.1307	HUBZone Price Evaluation Preference (PEP) Use in Full and Open Competition acquisitions UNLESS: <ul style="list-style-type: none">• Price is not a selection factor• All fair and reasonable offers are accepted• Less than or equal to the SAT				19.1307 Shall be used for full and open competitive acquisition over the SAT (Currently applicable to 10 Agencies (19.1302); after 9/30/2000, applicable to all agencies with a CO)		SBA HUBZone: <i>http://www.sba.gov/hubzone</i>

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Small Business Programs	FAR Ref.	Description and Conditions for Use	N/A 19.702(a)			19.702 No Formal Plan Required, but Contractor compliance with 52.219-8 required	19.702 Formal Plan Required (Over \$1M for Construction)	
Subcontracting Programs For SB, SDB, HUBZone SB, and Women-owned	19.7	Subcontracting Plans: <ul style="list-style-type: none">N/A to Small BusinessesN/A for performance outside USN/A for personal services Over \$100K: Via inclusion of 52.219-8, Contractor agrees to maximum practicable subK opportunities Over \$500K: (\$1M for Construction): Acceptable Formal plan required prior to award						
Small Disadvantaged Business Participation Program (Source Selection Factor)	19.12	Program: Offerors provide Targets for SDB Participation in SIC Major Groups, which are included in proposal evaluation For competitive, negotiated acquisitions exceeding \$500K (\$1M for construction) in SIC Major Groups (as designated by Dept. of Commerce – see website) UNLESS: <ul style="list-style-type: none">SB set-aside (19.5)HUBZone set-aside (19.13)8(a) (19.8)selection based on lowest price/technically acceptableperformance entirely outside US Credit under evaluation factor or subfactor is not available to SDB concerns that receive a price evaluation adjustment under 19.11	N/A 19.1202-2(a)				Mandatory over \$500K in SIC Major Groups (\$1 Million for Construction)	SIC Major Groups are listed at: http://www.arnet.gov/References/sdba_djustments.htm

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Small Disadvantaged Business (SDB) Participation Program (Incentive for Actual SDB Contracting)	19.1203	<i>For Optional Use with SDB SIC Major Group Targets (above)</i> Program: Monetary incentives for actual SDB subcontracting: <ul style="list-style-type: none">Used when Contracting by NegotiationPerformance is monitored against proposed targets and tracked separately from other programs/plans/goals (traditional 8(d) subcontracting plan)incentive based on actual performance An award fee may be used as substitute for incentive program	N/A				Optional use with SDB SIC Major Group Targets	N/A

NOTE: This matrix does not include additional FAR socioeconomic coverage which falls under FAR Parts 22 through 26 (Part 22--Application of Labor Laws to Government Acquisitions; Part 23--Environment, Conservation, Occupational Safety, and Drug-Free Workplace; Part 24--Protection of Privacy and Freedom of Information; Part 25--Foreign Acquisition; and Part 26--Other Socioeconomic Programs). It also does not include recent legislation on Veterans Entrepreneurship and Small Business Development Act (which established a Government-wide annual goal of not less than 3% of the total value of all prime and subcontract awards for participation by small business concerns owned and controlled by service-disabled veterans) or Contract Bundling (which prohibits the consolidation of two or more procurements into one if the consolidation will result in the contract being unsuitable for award to a small business concern).